(b) if so, estimated annual loss so far and during the next three years; and

(c) the time-frame by when this loss will be wiped off?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Revenue loss on account of tax/duty concessions to units in SEZs has been estimated to be Rs. 1,02,621 crores for the period 2006-07 to 2009-10. Out of this, the revenue loss on account of direct taxes is estimated to be Rs. 53,740 crores and on account of indirect taxes it is estimated to be Rs. 48,881 crores.

(c) It is expected that development of these SEZs would result in generation of additional economic activity, promotion of export and investment, creation of employment and development of infrastructure. The revenue foregone is likely to be compensated when the above objectives shall be achieved.

Divestment of equity in PSUs

195. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government are divesting its equity in some PSUs;

(b) if so, the details thereof and the reasons therefor;

(c) what is the aim and objectives of divesting; and

(d) whether Government would like to invest the money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Government has recently approved an 'Offer for Sale' of 10%, 5% and 5% of the pre-issue paid-up equity capital of Rural Electrification Corporation Limited (REC), Power Grid Corporation of India Limited (PGCIL) and National Hydro-electric Power Corporation Limited (NHPC) respectively, out of its shareholding, along with the fresh issue of equity equal to 10% of the pre-issue paid-up equity capital each of REC, PGCIL and NHPC. The proceeds from disinvestment of Government's equity in these three PSUs would be channelised into the National Investment Fund (NIF), which was constituted in November, 2005. The corpus of NIF will be of a permanent nature. NIF will be professionally managed to provide

sustainable returns to the Government, without depleting the corpus. 75% of the annual income will be used to finance selected social sector schemes, which promote education, health and employment. The residual 25% of the annual income of NIF will be used to meet the capital investment requirements of profitable and revivable PSUs.

Discussion of Budget 2007-08

†196. SHRI BRIJ BHUSHAN TIWARI: Will the Minister of FINANCE be pleased to state:

(a) the sectors from which the representatives were invited by him to the discussion held in pre-budget exercise for the Union Budget 2007-08 alongwith the details of discussion so held;

(b) whether representatives of seventy per cent of population of the country were invited for discussion, if so, the details of the discussion held with them and if not, the reasons for not doing so; and

(c) whether the Minister of Agriculture himself had written to him to lay emphasis on agriculture sector in the budget and also gave a suggestion, if so, the action taken by him on the letter of the Minister of Agriculture and his suggestion?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Pre-budget meetings were held by the Finance Minister with the representatives of agriculturists, economists, Industrialists and trade unions. The representatives presented their different view points and concerns relating to their respective sectors. In these wide-ranging discussions, suggestions which could be possibly incorporated in the budget were also made. These deliberations form a vital input in the budget making process. Press releases outlining the important issues which were discussed in the meetings were also issued. Minister of Agriculture has written to the Finance Minister giving his suggestions for the budget. These suggestions are being examined as a part of the budget making exercise.

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†Original notice of the question was received in Hindi.